
Program Memorandum Carriers

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

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Date: FEBRUARY 15, 2001

CHANGE REQUEST 1531

SUBJECT: Explanation of Medicare Benefits (EOMB), Medicare Summary Notice (MSN) and Supplier Remittance Messages Durable Medical Equipment Regional Carriers (DMERCs) Must Use on Claims for Drugs and Related Equipment Supplied by a Supplier Not Licensed to Dispense the Drug

This Program Memorandum (PM) instructs DMERCs on the proper EOMB, MSN, and remittance messages to use when denying claims under the Medicare Carriers Manual Part 3, §4119. All of the messages listed below are existing messages. The DMERCs simply need to be certain that they appear on claims affected by §4119.

Messages for Assigned Claims

EOMB: “Medicare cannot pay for this drug/equipment because our records do not show your supplier is licensed to dispense prescription drugs, and, therefore, cannot assure the safety and effectiveness of the drug/equipment. You are not financially liable for any amount for this drug/equipment unless your supplier gave you a written notice in advance that Medicare would not pay for it and you agreed to pay.” (EOMB message # 8.98; MSN # 8.50)

Remittance for Drugs: “This service/procedure is denied/reduced when performed/billed by this type of provider, by this type of provider in this type of facility, or by a provider of this specialty.” (Remittance advice code B6, with group code CO - the provider may not bill the beneficiary.)

Remittance for Related Equipment: “Claim/service denied because the related or qualifying claim/service was not paid or identified on the claim.” (Remittance advice code #107, with group code CO - the provider may not bill the beneficiary.)

Additionally, remark code M143: “We have no record that you are licensed to dispense drugs by the State in which you are located.” Should appear on supplier remittance notices.

Message for Non-Assigned Claims:

MSN: “This item or service is not covered when performed or ordered by this provider.” (MSN #12.18)

Spanish MSN: “Este artículo o servicio no está cubierto cuando es rendido u ordenado por este proveedor.” (MSN #12.18)

The *effective date* for this PM is April 1, 2001.

The *implementation date* for this PM is April 1, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after April 1, 2002.

If you have any questions, contact Renée Hildt at (410) 786-1446.

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